

INFORMATIONAL HEARING AND SITE VISIT  
BEFORE THE  
CALIFORNIA ENERGY RESOURCES CONSERVATION  
AND DEVELOPMENT COMMISSION

In the Matter of: )  
 )  
Application for Small Power Plant )  
Exemption; Chevron Richmond Power ) Docket No.  
Plant Replacement Project ) 07-SPPE-1  
 )  
\_\_\_\_\_ )

RICHMOND CITY COUNCIL CHAMBERS  
1401 MARINA WAY SOUTH  
RICHMOND, CALIFORNIA 94804

THURSDAY, AUGUST 30, 2007

5:33 p.m.

Reported by:  
Peter Petty  
Contract No. 170-07-001

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT

Jeffrey D. Byron, Presiding Member

HEARING OFFICER AND ADVISORS

Raoul Renaud, Hearing Officer

Gabriel Taylor, Advisor

STAFF AND CONSULTANTS PRESENT

Mary Dyas, Project Manager

Lisa DeCarlo, Staff Counsel

Gary Fay, Hearing Office

Brewster Birdsall  
Aspen Environmental Group

Alvin Greenberg

PUBLIC ADVISER

Nicholas Bartsch

APPLICANT

Paul Millner  
Chevron Products Company  
Richmond Refinery  
Chevron

Dean O'Hair  
Richmond Refinery  
Chevron

Tery Lizarraga  
Richmond Refinery  
Chevron

Bob Chamberlin  
Chevron

INTERVENOR

Suma Peesapati, Attorney  
Adams, Broadwell, Joseph and Cardozo  
representing Contra Costa Building Trades Council

ALSO PRESENT

Myron D. King  
The Arlington Financial Services Corporation

John Barkus

Paula Kristovich

Sylvia Hopkins

Maggie Leigh

Ruth Gilmore

Delphine Smith

Philip Huang  
Communities for a Better Environment

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

## I N D E X

	Page
Proceedings	1
Introductions	1,6,41
Opening Remarks	1
Presiding Member Byron	1
Hearing Officer Renaud	2
Presentations	7
Applicant	7
CEC Staff	17
Issues Identification Report	22
Proposed Schedule	24
Questions/Comments	25
Questions by Hearing Officer	28
Public Adviser	32
Intervenor Contra Costa Building Trades Council	41
Schedule	42
Public Comment/Questions	43
Sylvia Hopkins	43
Maggie Leigh	47
Ruth Gilmore	48
Myron D. King, The Arlington Financial Services Corporation	50
Delphine Smith	53
Philip Huang, Communities for a Better Environment	56

## I N D E X

	Page
Closing Remarks	58
Presiding Member Byron	58
Adjournment	60
Reporter's Certificate	61

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

## P R O C E E D I N G S

5:33 p.m.

PRESIDING MEMBER BYRON: Good evening.

It's a pleasure to be here this evening. I'd like to first thank the City for providing such a nice facility for us to hold this hearing. We don't always get such nice surroundings.

To my right is my Advisor, Gabriel Taylor. And I'm the Presiding Member of a Committee of two that's assigned to this special power plant exemption project. My fellow Member is Commissioner Rosenfeld who could not be here with us this evening.

The proceeding tonight, I'll give you my brief outline of it, and our Hearing Officer, Raoul Renaud, to my left, will take over at that point. But I just wanted to welcome you; let you know kind of what we're doing here.

This is the first of the hearings that we'll have on this process. It's an informational hearing. Some of you were along with us on the school buses, very nicely done, and got a tour of the plant site. And that's part of the reason that we're here today is to get a chance to see that.

1           If I could use the analogy if this were  
2       a baseball game, we'd be about at the top of the  
3       first inning here in terms of this process. We're  
4       just really getting started. This is a good  
5       opportunity for the public to ask questions; and  
6       we'll do that when we get towards the end of this.

7           But I think I'll just go ahead and turn  
8       it over to our Hearing Officer and let him run the  
9       proceeding at this point, and outline what we'll  
10      be doing this evening. Mr. Renaud.

11           HEARING OFFICER RENAUD: Okay, thank  
12      you, Commissioner Byron. Can you hear? All  
13      right, good.

14           The purpose of today's hearing really is  
15      fourfold. We want to provide a public forum to  
16      discuss the proposed project, provide information  
17      about the project, describe the Energy Commission  
18      review process and identify the opportunities for  
19      participation by the public in this process.

20           The Chevron Power Plant replacement  
21      project involves an electrical generating facility  
22      which is less than 100 megawatts in capacity or  
23      output. Since it's under 100 megawatts it  
24      qualifies to be considered under the small power  
25      plant exemption process, as opposed to our

1 application for certification process.

2 This is a shortened procedure; typically  
3 takes about six months rather than the normal 12-  
4 month or more length process.

5 Nonetheless, in order to be qualified  
6 for the exemption the applicant must show that  
7 there's no significant unmitigable adverse impact  
8 from the project in order to be granted the  
9 exemption.

10 Even if the applicant does make that  
11 showing, however, if someone else comes in and  
12 makes a fair argument based on evidence,  
13 substantial evidence, that there will, in fact, be  
14 a significant impact, then we cannot grant the  
15 exemption and the project must be reviewed under  
16 the full application for certification process.

17 Bear in mind, though, that the fair  
18 argument that I referred to can't be worry or  
19 concern about some possible impact. It must be  
20 based on hard facts, expert opinion, evidence in  
21 the record that the Commission can rely upon.

22 The review process provides a public  
23 forum allowing the applicant and the Commission  
24 Staff, government agencies, adjacent landowners  
25 and members of the general public to discuss



1       whether the project qualifies for an exemption  
2       from the Commission's licensing process.

3               Ultimately, after a series of hearings,  
4       the Energy Commission will issue a decision based  
5       upon the evidence in the public record. That  
6       record can only be developed in a public setting.  
7       It cannot be based upon anything that was not made  
8       part of the public record. And that's part of my  
9       job to insure that there is a full and complete  
10      record upon which a legally sufficient decision  
11      can be based.

12             Whenever the Commission receives  
13      evidence it will be done publicly. The public  
14      will have the opportunity to review that evidence,  
15      comment upon it and challenge it. And you will  
16      hear later from the Public Adviser concerning your  
17      ways of participating in that fashion.

18             Now, one important principle that we  
19      have is the integrity of the process. It's very  
20      important that we preserve the integrity and  
21      impartiality of the licensing process.

22             For that reason California law prohibits  
23      private contacts between the parties, and that  
24      would be the applicant and the Committee Members.  
25      This is known as the ex parte rule. And, again,

1       this all plays back into the need to have  
2       everything public and on the record.

3               There is a prohibition on private  
4       discussions regarding the project. Any  
5       discussions regarding substantive aspects of the  
6       project must take place in a public setting such  
7       as we're here today.

8               Now, we will be shortly proceeding to a  
9       presentation by the applicant, Chevron, about the  
10      proposed project. If there are any questions of  
11      me regarding what I've just said, though, I'd take  
12      those right now. Otherwise we'll proceed. Any  
13      questions?

14              PRESIDING MEMBER BYRON: Mr. Renaud, do  
15      you want to go ahead and introduce the rest of the  
16      staff that's here at this point, or do you want to  
17      do that later?

18              HEARING OFFICER RENAUD: Yes, that's a  
19      good idea, Commissioner, thank you. We did go  
20      through some introductions before the site visit,  
21      but there may be people here now who were not  
22      present for the site visit. So, again,  
23      Commissioner Byron has introduced the people you  
24      see up here.

25              From the Energy Commission Staff we have

1 Mary Dyas, who's here; she's the Project Manager  
2 assigned to this case. And next to her is Lisa  
3 DeCarlo, who is the Staff Counsel, advising the  
4 staff regarding this case, from the Energy  
5 Commission.

6 Representatives of Chevron, perhaps,  
7 would you introduce yourselves, please.

8 MR. MILLNER: I am Paul Millner, the  
9 Manager of Business Development at the Refinery.  
10 In the front row here also is Dean O'Hair, who's  
11 Manager of Public Affairs for the Refinery; and  
12 Tery Lizarraga, who's our Manager of Health,  
13 Environmental and Safety.

14 HEARING OFFICER RENAUD: Very good,  
15 thank you. Also, standing in the back of the room  
16 is Nick Bartsch. Mr. Bartsch is the Public  
17 Adviser from the Energy Commission. His job is to  
18 insure public participation and perform outreach  
19 efforts to make sure that the public is fully  
20 aware of what's going on with respect to this  
21 application.

22 Two more minor housekeeping matters.  
23 First, there is a Spanish language interpreter  
24 present. If anyone needs Spanish language  
25 interpreting, please let us know and we can make

1       that available for you.

2               Second is that everything that is said  
3       here today in the room is being stenographically  
4       recorded. We have a stenographic reporter sitting  
5       in the front of the room. And afterwards,  
6       everything that's been recorded will be  
7       transcribed into a written transcript that will be  
8       available for review.

9               All right, if there are no questions  
10       we'll proceed with Chevron's presentation. Thank  
11       you.

12              MR. MILLNER: Thank you, sir. I'm Paul  
13       Millner, the Manager of Business Development of  
14       the Refinery. Thank you for coming on the site  
15       visit today. And I'd like to step you through the  
16       process here.

17              The Richmond Refinery Power Plant  
18       Replacement project is what we're here to discuss.  
19       The power plant replacement project is a subset of  
20       the refinery's renewal project, which is a larger  
21       scope project overall.

22              The power plant replacement project  
23       includes replacing our 1930s power plant with what  
24       we're calling cogen 3000, a gas turbine generator;  
25       and enhancing our new hydrogen plant efficiency

1 with a steam turbine generator integral to that  
2 process.

3 The power plant will improve reliability  
4 with new equipment and technology. It will  
5 generate enough electricity for refinery self  
6 sufficiency, reducing our demand on PG&E's system.  
7 Will use less energy per unit of electricity and  
8 hydrogen produced than the alternatives, the way  
9 we do business today. And it will improve the  
10 efficiency of process steam production in the  
11 refinery.

12 As you can imagine, the 1937 power plant  
13 is not the most efficient device that you could  
14 envision.

15 An overview of the power plant project,  
16 itself. There's a 60 megawatt net electricity  
17 generation increase. There's two components to  
18 that. The first is a 43 megawatt net cogeneration  
19 system, cogen 3000. And the second is a 17  
20 megawatt net steam turbine system in the new  
21 hydrogen plant. I will refer to a little bit more  
22 process detail in just a moment on those two.

23 As part of that, then we'll be able to  
24 shut down the existing steam boilers in the  
25 refinery's number one power plant that we saw on

1 the tour. And we will be upgrading the two  
2 circuits, six conductors, about 4000 feet of  
3 transmission line on the five existing onsite  
4 transmission towers. As we mentioned on the site  
5 visit, there will be no visible change because the  
6 new conductors are the same size as the old  
7 conductors, they're just higher impacity.

8 This is the refinery site plan. In the  
9 lower right-hand corner you can see the site of  
10 our existing 1930s power plant. Just above that  
11 are our existing cogeneration units, the green  
12 stacks we saw on the site visit today.

13 And right adjacent to those two green  
14 stacks there'll be a third stack for our cogen  
15 3000 gas turbine generator. So, adjacent to the  
16 existing facilities. That will feed into the  
17 existing number 5 substation. And the  
18 transmission line that we saw on the site visit  
19 will then carry that power to our switching  
20 station.

21 In the upper central portion of the  
22 diagram you can see the site of the steam turbine  
23 generator where we had the green car parked today.  
24 And that is in the midst of other process  
25 equipment that will be proposed to be built in

1       that area. And it will generate 17 megawatts  
2       there.

3               This is a depiction of the hydrogen  
4       plant's steam turbine generator. You see on the  
5       left-hand side of the drawing, of course, first  
6       the generator, but the steam turbine generator is  
7       shown as a trapezoid. Steam is coming from the  
8       hydrogen plant at approximately 900 pounds. But  
9       the process demand is at a much lower pressure,  
10      about 650 pounds.

11             In the bad old days the way you would  
12      accomplish that pressure reduction is across a  
13      control valve. Rather than doing that we're  
14      letting that pressure down across this turbine  
15      which then generates 17 megawatts of electricity  
16      with the energy that's in that stream.

17             In order to give some balancing  
18      flexibility to the plant there is a small  
19      condenser that allows some condensation of steam  
20      to occur; so some steam can be destroyed or taken  
21      back to a water phase. And that requires some  
22      cooling tower capacity. So that cooling tower  
23      capacity is discussed in our application, as  
24      well.           And then the condensed water  
25      returns to the process.

1           The cogeneration unit is a conventional  
2     gas turbine that I'm sure you're familiar with.  
3     Air comes into the compressor on the front end of  
4     the machine. Then our fuel is introduced. Our  
5     two fuels are natural gas and liquified petroleum  
6     gas, in this case butane.

7           The expansion section then, or the  
8     turbine section then delivers the shaft horsepower  
9     which drives the 43 megawatt generator. The hot  
10    air exhausting from that turbine then enters a  
11    heat recovery steam generator. And auxiliary  
12    firing is provided by our refinery process gas,  
13    fuel gas. It's a byproduct of the refining  
14    process.

15           And, of course, the water is introduced  
16    and that water is turned into steam. The heat  
17    recovery steam generator also includes fairly  
18    significant emission control systems that are  
19    discussed in our application. And the steam is  
20    available for refinery processes then.

21           Just a photo of the 1930s power plant  
22    that's to be replaced that we saw on our site  
23    visit today. And also a photo of the two existing  
24    cogeneration units. And in this photo about  
25    equidistantly spaced to the right there would be a



1 third stack for the new cogen unit.

2 There are environmental benefits  
3 associated with the project. The overall renewal  
4 project delivers criteria pollutant reduction.  
5 The emissions from the renewal project, as a  
6 whole, remain below the CEQA levels of  
7 significance.

8 The cogeneration portion of the project,  
9 of course, produces less greenhouse gas and other  
10 criteria pollutant emissions compared to separate  
11 production of steam and electricity, which would  
12 be a more conventional noncombined heat and power  
13 approach. As you probably know, you know, the  
14 efficiency gain there is on the order of 20  
15 percent.

16 Hydrogen plant steam turbine system will  
17 use recycled water for its cooling water cycle.  
18 And that's existing facilities that we have. As  
19 you saw on the site visit today, East Bay MUD has  
20 already begun working on building a reclamation  
21 plant to take wastewater and turn it into high  
22 purity boiler feedwater. And that will be used in  
23 the cogen 3000 plant when that plant comes up,  
24 when the recycled water comes up, to use that  
25 recycled water.

1                   And then finally, of course, all the  
2                   water discharge will be in compliance with our  
3                   NPDES permit.

4                   Additional benefits. Of course, the  
5                   project will generate millions in tax revenue.  
6                   And the use of those funds is up to our elected  
7                   representatives, but, of course, could be used for  
8                   public safety programs, street and road repairs,  
9                   other essential services.

10                  The project will create hundreds of  
11                  jobs. Those are the construction and engineering  
12                  jobs during the project buildout.

13                  And the overall project, as we discussed  
14                  earlier, increases the supply of gasoline to the  
15                  California market, also decreasing the amount of  
16                  conventional gasoline we make. There's no net  
17                  increase in total gasoline production. But since  
18                  California gasoline is so heavily constrained and  
19                  conventional gasoline is much more readily  
20                  available, it's a very good thing indeed.

21                  Our timeline is we filed our small power  
22                  plant exemption application on June 22nd of this  
23                  year. We eagerly anticipate your decision by the  
24                  first quarter of next year. Construction, of  
25                  course, begins upon receipt of permits. And we

1 plan commercial operation late in 2009.

2 In summary, the project improves  
3 refinery reliability and energy efficiency and  
4 provides environmental benefits, as well. The  
5 project provides benefits to the city and the  
6 community, including job opportunities and  
7 revenue. And Chevron looks forward to continuing  
8 our work with the Commission.

9 HEARING OFFICER RENAUD: Thank you for  
10 the presentation. Are there any questions from  
11 members of the audience regarding this  
12 presentation before we proceed to the next item?

13 MR. KING: When do we start asking  
14 questions --

15 PRESIDING MEMBER BYRON: He will have to  
16 come to a microphone.

17 HEARING OFFICER RENAUD: Yeah, if you  
18 have a question regarding this presentation you  
19 may ask that now. Or you may hold your questions  
20 till the end, either way.

21 MR. KING: Thank you.

22 HEARING OFFICER RENAUD: Whichever one,  
23 though, you will need to come up to the podium and  
24 use the microphone, please. Sir.

25 MR. BARKUS: Is the NPDES permit

1 available to the public?

2 HEARING OFFICER RENAUD: And who can  
3 answer that? The NPDES permit availability?  
4 Anybody?

5 MR. MILLNER: We're working on that  
6 answer right now.

7 HEARING OFFICER RENAUD: We're looking  
8 for an answer for you, sir.

9 MR. MILLNER: Okay. The Regional Water  
10 Quality Control Board has that on their website.

11 HEARING OFFICER RENAUD: All right, so  
12 that would be available to the public --

13 MR. MILLNER: Yes.

14 HEARING OFFICER RENAUD: -- for review.

15 MR. MILLNER: For examination.

16 HEARING OFFICER RENAUD: Good, thank  
17 you. Any other questions regarding the  
18 presentation before we proceed? And you will have  
19 an opportunity for further questions and comment  
20 at the end of today's hearing, as well.

21 Did I see a hand back there, Mr.  
22 Bartsch?

23 MR. BARTSCH: I was just going to say I  
24 do have some blue cards here for the public  
25 comment (inaudible) provide a blue card. It's a

1 little easier for the Presiding Member to keep  
2 track of the folks so we don't miss anybody.  
3 (inaudible).

4 HEARING OFFICER RENAUD: Are you all  
5 able to hear this, or should we ask Mr. Bartsch to  
6 come to the microphone?

7 Yes.

8 MR. FAY: We'd also like to be sure that  
9 anybody that asks a question or makes a comment  
10 states their name first --

11 HEARING OFFICER RENAUD: Thank you.

12 MR. FAY: That way the transcript will  
13 accurately reflect --

14 HEARING OFFICER RENAUD: That's right;  
15 thank you very much. Okay.

16 Now we'll proceed to a presentation by  
17 Energy Commission Staff. After Chevron filed the  
18 application for small power plant exemption, the  
19 staff began to work on reviewing that. It's a big  
20 process. That document is many many hundreds of  
21 pages long and very technical in nature.

22 The staff has begun their review of it.  
23 As you know it was only received in June, so that  
24 process is still underway.

25 Staff has prepared some initial

1 identification of potential issues that will have  
2 to be addressed in the course of these  
3 proceedings. And with that, I'll turn it over to  
4 Mary Dyas, the project manager, for staff's  
5 presentation. Thank you.

6 MS. DYAS: My name is Mary Dyas; I'm the  
7 Project Manager for the Energy Commission assigned  
8 to manage the review of the small power plant  
9 exemption application which was filed by Chevron  
10 on June 22nd.

11 I'd like to take a few minutes to review  
12 the small power plant exemption process following  
13 a short discussion on the issues identification  
14 report. And I do want to say right now I do have  
15 copies of this presentation in hand-out format on  
16 the back table if anybody would like a copy of it.

17 The Energy Commission has permitting  
18 authority over the licensing of thermal power  
19 plants 50 megawatts or larger, and the plant's  
20 related facilities, including transmission lines,  
21 water supply lines, natural gaslines, waste  
22 disposal lines and access roads.

23 Under the California Environmental  
24 Quality Act the Energy Commission is the lead  
25 agency for siting energy facilities.

1           The Energy Commission has a small power  
2   plant exemption process under which they may  
3   exempt a thermal power plant from the  
4   certification process if the project is between 50  
5   and 100 megawatts and has no unmitigated adverse  
6   impacts on the environment or energy resources.

7           The SPPE process is an exemption from  
8   the Commission's standard licensing process, it's  
9   not a permit. If approved by the Commission the  
10  project developer would be responsible for  
11  securing local, state and federal permits to  
12  construct and operate the facility.

13          Under this process the Energy Commission  
14  completes an initial study, and if appropriate, a  
15  mitigated negative declaration, followed by a  
16  final decision.

17          The SPPE, or small power plant exemption  
18  process, consists of various phases which include  
19  staff workshops, site visits like today's, and  
20  Committee hearings and conferences; all of which  
21  are noticed and open to the public.

22          The discovery and analysis phase is a  
23  period of data gathering by the staff, agencies  
24  and intervenors. And Nick will be able to explain  
25  intervenors when he gives his short presentation

1 following mine.

2 All parties then analyze the information  
3 that's received. Staff issues data requests to  
4 obtain needed information pertaining to the  
5 project in order to complete their analysis. And  
6 for this project we do also, in the back, have  
7 handouts of the data requests which were provided  
8 by staff.

9 An issues identification report is  
10 produced, and there's also a copy of the issues  
11 identification report in the back, as well. And  
12 I'll discuss this report a little bit later on in  
13 this presentation.

14 The project will be analyzed to  
15 determine if it applies to applicable laws,  
16 ordinances, regulations and standards; and  
17 mitigation measures and conditions of exemption  
18 are identified.

19 Also during this phase there will be a  
20 number of public workshops which will be noticed  
21 ten days prior to the workshop date.

22 There are several documents produced  
23 during this phase. The first of which is the  
24 draft initial study, which is based on a CEQA  
25 environmental checklist. There will be a 30-day



1 comment period and workshops to discuss and  
2 resolve issues.

3 Finally, staff will publish the final  
4 initial study and make their recommendation to the  
5 Committee.

6 The next phase is the evidentiary  
7 hearing and decision process. During this phase  
8 we will hold prehearing conferences, followed by  
9 evidentiary hearings conducted by the Committee to  
10 hear findings and conclusions presented by the  
11 applicant, staff, intervenors, other agencies, as  
12 well as public comment.

13 The Committee then issues a Presiding  
14 Member's Proposed Decision, mitigated negative  
15 declaration and final initial study which  
16 discusses findings related to environmental  
17 impacts and compliance with laws, ordinances,  
18 regulations and standards, along with  
19 recommendations on conditions of exemption, and  
20 whether or not to approve the exemption.

21 There will then be a hearing on the PMPD  
22 for consideration by the full Commission on the  
23 decision to approve or deny an exemption. The  
24 decision is typically announced at the  
25 Commission's regularly bimonthly business meeting.

1           Throughout the review process staff  
2       coordinates with a number of local, state and  
3       federal agencies, including the City of Richmond  
4       and the Bay Area Air Quality Management District.

5           There are also several opportunities for  
6       the public to participate in our process. And  
7       some of these include they can submit written  
8       comments or statements to the Commission on the  
9       draft initial study, the final initial study, the  
10      mitigated negative declaration and the Presiding  
11      Member's Proposed Decision.

12          The public can provide oral comments at  
13      meetings such as this. They can participate in  
14      our workshops and hearings. Or they can become a  
15      formal intervenor, as which I stated, Nick and the  
16      Public Adviser's Office can assist the public in  
17      determining whether or not they want to become an  
18      intervenor in this process.

19          Public participation. There are a  
20      number of ways that the public can participate.  
21      The public can attend workshops and hearings, as I  
22      stated earlier. We do have a number of different  
23      mailing lists, including libraries that have  
24      copies of the application that was submitted by  
25      Chevron. As well as mailing lists of interested

1 agencies and some of the surrounding homeowners.

2 There's also a list server on the  
3 Commission's webpage which you can sign up to  
4 receive emails to be notified when documents have  
5 been posted on the Chevron project webpage.

6 The documents are available and can be  
7 reviewed at public libraries, the Commission  
8 library; and then I've also included on this slide  
9 the Chevron project web address. And all of the  
10 documents are posted on there.

11 Now I'd like to do a short discussion on  
12 staff's issues identification report. The purpose  
13 for the report is to inform participants,  
14 including the applicant, of potential issues staff  
15 finds relating to the project. And this is done  
16 early in the process. And this, by no means,  
17 means that this is the only issue or issues that  
18 come up. This is just the initial findings.

19 The report also provides focus for  
20 important topics that may affect the project and  
21 staff's analysis of the project. The criteria  
22 used for identifying an issue for this report  
23 include the potential for any significant impacts  
24 that might be difficult to mitigate; noncompliance  
25 with laws, ordinances, regulations and standards;

1 or if there's a conflict that could affect the  
2 schedule.

3 Staff, as far as the Chevron project's  
4 initial review, staff has only identified one  
5 issue in air quality. But, as I said, other  
6 issues may still arise.

7 Staff has issued data requests  
8 requesting additional information from the  
9 applicant, in this case Chevron, in technical  
10 areas in order to get more needed information to  
11 do a more thorough review and analysis.

12 The one issue that has been identified  
13 is in the air quality technical area. And as  
14 stated in the issues identification report, the  
15 project would be located in the Bay Area Air  
16 Quality Management District where particulate  
17 matter occurs at levels that exceed the state  
18 ambient air quality standards and recently adopted  
19 federal standards.

20 The proposed project would emit about  
21 47.3 tons per year of particulate matter. Chevron  
22 proposes to offset these increases through a  
23 combination of existing source shutdowns and  
24 emission reduction credits.

25 The Air District and staff must insure

1       that the emission reductions are made enforceable,  
2       real and permanent. And the applicant will need  
3       to agree to the emission reduction plan.

4               Staff has developed data requests to  
5       identify enforceable reductions as a mitigation  
6       strategy for the proposed emissions increases.  
7       And also staff will work with the applicant and  
8       the Air District to address this issue.

9               For a proposed schedule for the project,  
10       and as I said, you can get a copy of this back  
11       there, we have the initial dates set for a number  
12       of our -- when the documents are going to be  
13       filed. These dates are not set in stone. Things  
14       can come up that can delay the schedule or change  
15       it. And it is noted on the bottom that  
16       occasionally staff will put out notices and/or the  
17       Committee will issue an order regarding the  
18       schedule as to when things will need to be due.

19              And then here's a list of the Energy  
20       Commission contacts. The Committee, consisting of  
21       the two Commissioners, the Hearing Office, myself,  
22       Lisa DeCarlo, staff attorney and then the Public  
23       Adviser's information.

24              And that's all I have.

25              HEARING OFFICER RENAUD: Okay, thank you

1 very much. Any questions regarding the staff's  
2 presentation? Okay. Sir, yes, come to the  
3 microphone and identify yourself, please.

4 PRESIDING MEMBER BYRON: It's a bit of a  
5 bother to come up, but we really do want to --

6 MR. BARKUS: No, it's not a bother at  
7 all.

8 PRESIDING MEMBER BYRON: -- we do want  
9 to get everything you have to say on the record.

10 MR. BARKUS: I'm on my feet all the  
11 time, so --

12 PRESIDING MEMBER BYRON: Please identify  
13 yourself.

14 MR. BARKUS: John Barkus; I'm a resident  
15 of Point Richmond for a number of years. And you  
16 mentioned there's going to be 43 tons of  
17 particulate that will be entering the air each  
18 year. Do you know what's going to be in that  
19 particulate?

20 MS. DYAS: I believe Brewster Birdsall  
21 is here. He's our air quality --

22 MR. BARKUS: Thank you.

23 MS. DYAS: He would be able to answer  
24 that.

25 HEARING OFFICER RENAUD: Again, would

1       you please state your name for the record before  
2       you begin? Thank you.

3               MR. BIRDSALL: Sure thing. My name is  
4       Brewster Birdsall and I work for Aspen  
5       Environmental Group. I'm a contractor for the  
6       California Energy Commission on this project, and  
7       I'll be preparing the air quality assessment that  
8       is part of the initial study.

9               And the applicant can go into more  
10       detail about this, but the particulate matter is  
11       coming from two basic sources. One is the  
12       combustion turbine, which is burning a combination  
13       of liquified petroleum gas and natural gas; and  
14       then the second major source is the cooling tower,  
15       which is a rather large source of particulate  
16       matter of dissolved solids from the cooling water  
17       that goes through and comes out of the steam  
18       turbine.

19              So it's a combination of combustion  
20       particulate matter and then the total dissolved  
21       solids from the cooling water. And it's all going  
22       to be part of our analysis.

23              HEARING OFFICER RENAUD: Yes, please  
24       come forward again.

25              MR. BARKUS: I was wondering are any of

1       those particulate matters cancer-causing or have  
2       any detriment to the people in the neighborhoods.

3               HEARING OFFICER RENAUD: All right.  
4       Mary, is there someone who could address that?  
5       Thank you.

6               MS. DYAS: Yeah, we have Dr. Alvin  
7       Greenberg, who is our public health consultant.

8               HEARING OFFICER RENAUD: Perfect, thank  
9       you.

10              DR. GREENBERG: Good evening. My name  
11       is Alvin Greenberg; I also am a consultant to the  
12       Energy Commission.

13              The answer to that is yes. And I will  
14       be assessing the public health impacts from the  
15       emissions from all sources, both the two sources  
16       that Brewster Birdsall mentioned.

17              There are a number of substances that  
18       come out of the stacks as a result of combustion  
19       of natural gas in minute quantities. These  
20       quantities have been measured at other power  
21       plants so we have an idea of what is to come out.

22              And the health risk assessment will  
23       utilize what we term health protective  
24       conservative exposure scenarios, as well as  
25       emission factors. And the health risk will have



1 to be below the Bay Area Air Quality Management  
2 District as well as the Energy Commission's level  
3 of significance in order for them to get this  
4 small power plant exemption.

5 HEARING OFFICER RENAUD: Okay, thank  
6 you. Further questions on the presentation by  
7 staff? Yes, thank you, please state your name.

8 MS. KRISTOVICH: Yes, my name is Paula  
9 Kristovich; and I live in Atchison Village near  
10 the power plant. And I would like, in addition to  
11 the air quality testing, I would like to see soil  
12 testing and water testing, also.

13 I have had some soil testing done around  
14 my home, which showed up mercury, which was 50  
15 times higher than the EPA action level.

16 Thank you.

17 AUDIENCE SPEAKER: Thank you.

18 HEARING OFFICER RENAUD: Thank you very  
19 much for your comment. Anything else before we  
20 move on?

21 Okay, I'd like to ask a question of the  
22 applicant. I'm not sure who will be the  
23 spokesperson, but the staff basically has  
24 identified air quality as an issue at this  
25 preliminary state. Does the applicant have any

1 comment regarding that issue and whether or not  
2 there are any other potential issues that may be  
3 looming out there?

4 MS. LIZARRAGA: Hi; my name's Tery  
5 Lizarraga; I'm the Health, Environmental and  
6 Safety Manager for the Chevron Richmond Refinery.

7 We are currently working with the Bay  
8 Area Air Quality Management District on validating  
9 our emission estimates associated with all of the  
10 projects as part of the renewal project. This is  
11 part of that. We're looking at criteria  
12 pollutants and toxics.

13 And where we're headed is to have all  
14 criteria pollutants under the CEQA levels of  
15 significance. And to have a reduction of criteria  
16 emissions through doing this project. It's an  
17 emission reduction project.

18 In the near future we'll be able to get  
19 the BAAQMD's endorsement of where we're headed on  
20 emissions; and we'll be able to communicate that  
21 to the Commission, as well as through the EIR, the  
22 bigger EIR process for the renewal project.

23 HEARING OFFICER RENAUD: All right,  
24 thank you very much. And an observation I've made  
25 in reviewing some of the documentation is in the

1 area of traffic. And I'd just like to throw out a  
2 question there.

3 In the area of the refinery there are a  
4 couple of intersections that already have a pretty  
5 bad traffic situation in terms of delay. It's  
6 referred to as level of service.

7 During the construction period the level  
8 of service, which is currently D, which isn't very  
9 good, is predicted to drop to F, which is as bad  
10 as it gets. And I would like to ask if staff or  
11 applicant is planning to address that in any of  
12 the data requests or data responses that we might  
13 be receiving in the future.

14 MS. DYAS: Our traffic staff is not here  
15 tonight and I --

16 HEARING OFFICER RENAUD: All right.

17 MS. DYAS: -- will bring that up with  
18 him and find out for sure.

19 HEARING OFFICER RENAUD: All right,  
20 so --

21 MS. DYAS: And if questions need to be  
22 asked regarding that to get more information, I'll  
23 see that --

24 HEARING OFFICER RENAUD: Very good,  
25 okay, thank you.

1 All right, let's move on then to -- oh,  
2 we have -- yes, please state your name.

3 MR. CHAMBERLIN: My name is Bob  
4 Chamberlin. I'm the Permitting Manager for the  
5 renewable project. And I can speak to this  
6 question.

7 HEARING OFFICER RENAUD: Oh, thank you.

8 MR. CHAMBERLIN: We had a traffic survey  
9 completed that identified the traffic levels that  
10 you're referring to. In the study we identified  
11 several mitigation measures that we will be  
12 implementing, and they include the intersections  
13 that you're talking about.

14 Very shortly, let's say over the next  
15 couple of months, we will actually be adding lanes  
16 into those traffic intersections to mitigate that  
17 problem.

18 And in addition, during the peak traffic  
19 periods of our construction, as well as  
20 turnarounds that will occur during this four-year  
21 period of the full project, we will be using  
22 either manual traffic controllers, people out  
23 there directing traffic; or we'll work with the  
24 City of Richmond to set up the signaling system to  
25 improve the efficiency of those intersections and

1 mitigate the traffic demand.

2 HEARING OFFICER RENAUD: Very good.

3 Okay, thank you very much for that.

4 Okay, let's move on then to a  
5 presentation by our Public Adviser, Mr. Nick  
6 Bartsch, regarding ways the public can participate  
7 in this process.

8 MR. BARTSCH: I'd like to face the  
9 public if I may.

10 HEARING OFFICER RENAUD: Please do.

11 MR. BARTSCH: Thank you very much. My  
12 name is Nick Bartsch. I am in the Public  
13 Adviser's Office of the California Energy  
14 Commission. Our main responsibility is to insure  
15 that you, the public, and also stakeholders, have  
16 access to full information and access to the  
17 process, itself. And meaningful access, that  
18 means, and participation in the process.

19 You can achieve this two ways. You can  
20 start out by signing up, I think, I hope, as most  
21 of you did, our sign-in sheet. If you checked the  
22 appropriate box, then you will be receiving  
23 information about this particular project and all  
24 the future proceedings and events that will be  
25 coming up in connection with this project.

1           You will be able to get this information  
2       electronically if you so prefer. If you don't  
3       have access to computers, or to the internet, then  
4       you can get copies or you can also call us at the  
5       Public Adviser's Office. We'll make sure that you  
6       will get all the information you need.

7           I'd like to point out probably the  
8       easiest way for you, if you have internet access,  
9       to get information about this particular project  
10      is on the Energy Commission's website. This  
11      particular project, as all other projects under  
12      review, have their dedicated website.

13           And the website is listed on these blue  
14      sheets. And it's [www.energy.ca.gov/sitingcases/](http://www.energy.ca.gov/sitingcases/chevron)  
15      chevron. That will give you immediate access to  
16      all the information that you will need, and all  
17      the upcoming events in connection with this  
18      project.

19           If you do not have access to the  
20      internet you can just call us. And, again, our  
21      contact information is listed on this blue sheet.  
22      Call us and we'll make sure that you get the  
23      information.

24           Now, you can participate in the process  
25      two ways. One, informally, if you just want to

1 follow what is going on and get all the  
2 information about it. And also if you want to  
3 provide your input you can do so as Ms. Dyas  
4 informed you.

5 You can send us, you can submit a  
6 written statement or information about it. Make  
7 sure, if you do so, then you put the docket number  
8 that is listed, again on this blue sheet, on your  
9 communication. Or you can call us, or you can  
10 call the project manager and provide your  
11 information, ask your questions, request  
12 additional information.

13 The other -- and you can, of course,  
14 come to all the events and testify or provide  
15 statements. And you will be part of the record if  
16 these are public hearings or public workshops.

17 The other way to participate is more in  
18 a formal process as an intervenor. The difference  
19 between the two is that when you participate in a  
20 formal way, as an intervenor, then you will, in  
21 fact, become part of the legal process. And your  
22 testimony will all be recorded.

23 And the most important feature here is  
24 that you, as part of the legal process, you will  
25 be able to cross-examine witnesses during the

1 public hearings and make your own statements.

2 Now, with this privilege comes also the  
3 responsibility that if you do provide whatever  
4 information you provide you will have to serve it  
5 on all the other people who are part of the  
6 process. And we do have a list of all the  
7 official participants in the process.

8 We in the Public Adviser's Office will  
9 be very happy to help you to either participate  
10 informally or formally as an intervenor. We will  
11 get you all the forms; we will help you fill the  
12 forms out. However, we cannot represent you. You  
13 do not need to be an attorney; you don't need  
14 legal representation. You can represent yourself.  
15 But the Public Adviser cannot represent you.

16 When is the best time. You can, of  
17 course, start participating immediately as you do  
18 now. This is the first of about a minimum six-  
19 month process, so there will be many other  
20 opportunities as Mary pointed out, workshops and  
21 other public events where you will be able to  
22 participate.

23 But the earlier you start your  
24 participation, the better. This is particularly  
25 true if you want to become an intervenor or a



1 formal participant. The earlier you get in the  
2 process the better advantage you have of being  
3 part of the process. So I encourage you, if you  
4 do entertain ideas about participating, see me  
5 after the meeting. I'll be happy to get you  
6 started on how to do that.

7 The other thing I wanted to point out  
8 briefly. We are going to have a public comment  
9 session here. And if you are interested in making  
10 a public comment, please fill out one of these  
11 blue cards that I have on the back table there.  
12 And we will bring all the blue cards up and the  
13 Presiding Member of the Committee will then call  
14 you up. Having the blue cards really helps us to  
15 maintain some order, and also some record of  
16 what's spoken. And this way we'll make sure that  
17 we do not miss your comments.

18 So, again, if you have any questions  
19 about the process, how to do it, how you want to  
20 participate, to what extent, I will try to answer  
21 your questions. And if you have questions come up  
22 later on our contact information is on here.

23 Now, two more things I wanted to do.  
24 One, I wanted to give you, the audience, a little  
25 idea about our outreach for this particular event.

1       It's important, the Commission takes its role very  
2       seriously, as a licensor or as a regulatory  
3       agency. We want to make sure that the public is  
4       informed about these events.

5               We have taken particularly extensive  
6       measures in making sure that we publicize this  
7       event. In addition to this particular flyer or  
8       notice, which is also in English and in Spanish,  
9       we have, this particular notice was sent to  
10      elected officials, to 33 elected officials in the  
11      area.

12             And also we have identified 151, to be  
13      exact, what we call sensitive receptors. These  
14      are people and agencies and entities which,  
15      because of their business or affiliation, or  
16      because of their membership, they have a  
17      particular interest, or because of age and health  
18      situation, could potentially be more impacted by  
19      facilities such as a power plant than other folks.

20             These facilities would include schools,  
21      churches, community health organizations,  
22      hospitals, et cetera. We have identified 151 of  
23      these within a six-mile radius of the proposed  
24      power plant site. We have notified by letter,  
25      individual letter, and these flyers, all of those

1       151 sensitive receptors.

2               In addition, we have placed an ad in The  
3       Contra Costa Times, the August 24th, which was  
4       last Friday's edition of The Contra Costa Times.  
5       Over 25,000 copies were distributed. And the  
6       folks were notified through these ads.

7               In addition to that, we have done  
8       outreach to the television and radio stations. We  
9       have contacted ten radio stations, six of them in  
10      Spanish- and four in English-language radio  
11      stations. And five television stations in the  
12      area, both English and Univision, which is  
13      Spanish. And asked them to publicize the hearing  
14      and the site visit through public announcements.  
15      And they have agreed to do so. So we hope that we  
16      have not missed anybody; that you've had the  
17      opportunity to find out about this event.

18              We wanted to start out on the right  
19      foot, and we want to encourage you to continue  
20      with your interest throughout this whole process.  
21      And we will be there to help you.

22              One more issue I wanted to bring up. As  
23      we were talking about issue identifications, one  
24      of the things that was not mentioned, and I want  
25      to make sure that you understand that we did not

1       forget about this, and that's the environmental  
2       justice. Environmental justice, very simply and  
3       briefly, is the fair treatment of people of all  
4       race, ethnic origin, culture and income level with  
5       respect to the environmental laws, regulations and  
6       policies.

7               And we want to make sure -- one of our  
8       jobs is to make sure that folks not only are  
9       treated equally when they are under environmental  
10      consideration, but also have full and meaningful  
11      participation on the process.

12             Now, environmental justice may become an  
13      issue here to the extent that we reviewed, using  
14      census information, in a six-mile radius around  
15      the proposed power plant. And we have minority  
16      population of about 50 percent within a one-mile,  
17      and 67 percent within the six-mile radius of the  
18      power plant.

19             The income level, which is the federally  
20      determined poverty level, is much significantly  
21      lower. It is not an issue. We consider it to be  
22      a potential issue whenever it's over 50 percent of  
23      the population that could potentially be impacted.

24             So I just wanted you to be aware that we  
25      have not forgotten about that issue, and that we

1 will be analyzing it along with all the other  
2 issues as we go along.

3 Now, again, let me encourage you to  
4 please fill out these blue cards for the public  
5 comment. Give them to me and I'll make sure that  
6 the Presiding Member gets them and gives you an  
7 opportunity.

8 Thank you. And if you have any  
9 questions I'll be happy to answer them for you.

10 HEARING OFFICER RENAUD: Okay, thank  
11 you, Mr. Bartsch. And just to make is clear for  
12 the record, on August 10, 2007, notice of today's  
13 events was mailed to all parties, adjoining  
14 landowners, interested governmental agencies and  
15 other individuals; and posted on the Commission's  
16 website; and published recently in The Contra  
17 Costa Times. And that process will continue  
18 throughout these proceedings.

19 Are there any questions for Mr. Bartsch  
20 before we move on? All right.

21 Let me ask also, we do have one  
22 intervenor in this case, Contra Costa County  
23 Building and Trades Council. I just wanted to  
24 ask, for the record, if there's a representative  
25 of the intervenor here today. And it looks like

1       there is. Would you identify yourself, please.

2                   MS. PEESAPATI: Sure, good evening. My  
3       name is Suma Peesapati. As you mentioned, I am  
4       here representing the Contra Costa Building  
5       Trades.

6                   And I would just like to emphasize one  
7       point at this time. As was clear from the  
8       presentation and from Chevron's application, the  
9       power plant replacement project is physically  
10      connected and fully integrated with, actually, the  
11      hydrogen plant.

12                  Yet the hydrogen plant is undergoing  
13      separate environmental review through the Chevron  
14      renewal project process at the City of Richmond.

15                  As a practical matter it's impossible to  
16      separate the impacts from this project and the  
17      renewal project in general, specifically the  
18      hydrogen plant piece of the renewal project.

19                  I just wanted to emphasize that because  
20      we would like to explore this issue a little  
21      further, you know, we approach it from more of a  
22      piecemealing angle; whereas staff approaches it  
23      from a cumulative impacts angle. Either way, you  
24      know, the reality of the situation really can't be  
25      avoided. This is one comprehensive, clearly

1 integrated project.

2 And I would like to also say that we'd  
3 like to submit data requests. And we plan to  
4 submit them around September 17th.

5 HEARING OFFICER RENAUD: Very good.  
6 Well, as an intervenor, that's certainly your  
7 right. And the sooner you can do that, the  
8 better.

9 MS. PEESAPATI: Okay.

10 HEARING OFFICER RENAUD: We are on  
11 somewhat of a fast-track schedule with this  
12 process.

13 MS. PEESAPATI: Understood.

14 HEARING OFFICER RENAUD: Thank you.

15 MS. PEESAPATI: Thank you very much.

16 HEARING OFFICER RENAUD: Okay. Now  
17 turning to scheduling, I have proposed schedules  
18 from Chevron and from the staff. They are not too  
19 far apart from one another. Do either staff or  
20 Chevron wish to comment upon the scheduling  
21 issues?

22 No, okay. A scheduling order will be  
23 issued by the Committee based on today's  
24 proceedings in the very near future.

25 At this point then we can move into the

1 public comment portion of the hearing. I have  
2 four blue cards already. And I will proceed to  
3 call them in order. If you will, when I call your  
4 name, please come up to the podium and state your  
5 name for the record. And try to keep your  
6 comments pertinent to today's proceeding regarding  
7 the application for the small power plant  
8 exemption.

9 First let me call Sylvia Hopkins.

10 MS. HOPKINS: Thank you. I'm a resident  
11 of Atchison Village, having lived there four  
12 years. It's closer than six miles to the plant.

13 The impact of this entire project will  
14 be huge. As far as the megawatts generated, I  
15 believe would go from about 120 to 180, which in  
16 totality is one-third more power generation than  
17 currently is now the case.

18 So, I'm asking you, since the impact  
19 will be so great in totality, why is an exemption  
20 from certification proper. And I want to know why  
21 Chevron wants an exemption from certification. I  
22 certainly don't want them to have one. I want it  
23 to be fully certified.

24 And I also want to ask a question to  
25 something that was up here on the board today that



1       there will be environmental benefits. What  
2       environmental benefits are going to accrue to the  
3       population, to life and health here? I don't see  
4       them. I see an increase. And I'm looking at the  
5       piecemealing from the EIR. I'm looking at all of  
6       this as a layperson. And I'm highly concerned  
7       about this.

8               And there are a lot of other things that  
9       I could say, but I would take too much time.

10              HEARING OFFICER RENAUD: Okay, thank  
11       you. Let me try to respond to your first question  
12       briefly regarding the small power plant exemption  
13       process.

14              Chevron is not entitled to an exemption,  
15       but as a power plant which is under 100 megawatts  
16       California law does allow them to apply for the  
17       exemption. And they still have to go through a  
18       rigorous process at the Commission of review. And  
19       must demonstrate that there are no unmitigated  
20       impacts from the project in order to be granted  
21       that exemption.

22              Now, if they are granted the exemption,  
23       and that's an if, that doesn't mean they're, you  
24       know, off the hook and can just go ahead and build  
25       the plant. They still have to respond to any

1 local, state and federal authorities that may have  
2 jurisdiction over that project.

3 What happens though with the exemption  
4 is that they are then exempt from the Energy  
5 Commission's process. But they are not exempt  
6 from the regulatory processes of other agencies.  
7 And there are other agencies that do monitor and  
8 regulate these types of projects.

9 MS. HOPKINS: Yes, we do know that.

10 HEARING OFFICER RENAUD: All right,  
11 thank you. Now, with respect to your second  
12 question, do we have a response from the applicant  
13 or staff regarding that?

14 MR. O'HAIR: Again, this is just part of  
15 a lot of --

16 PRESIDING MEMBER BYRON: Please identify  
17 yourself. Thank you.

18 MR. O'HAIR: Oh, I'm sorry, excuse me.  
19 I'm Dean O'Hair; I'm the External Affairs Manager  
20 at Chevron's Richmond Refinery.

21 This project is just a part of a larger  
22 project, if you will, that we have at the  
23 refinery, our renewal project, which is going  
24 through permitting with the City of Richmond as  
25 the lead agency. Also the Bay Area Air Quality

1 Management District will issue permits for this  
2 facility. And the types of issues that were  
3 raised by the presenter are all part of that  
4 consideration.

5 They'll do a full environmental impact  
6 report on the project. We're in the draft  
7 environmental impact report for the renewal  
8 project, again, which includes what we're talking  
9 about here today, has gone out for public comment.  
10 And we're in the public comment period, you know,  
11 for that environmental impact report. And hope to  
12 have our response to comments for that project out  
13 shortly.

14 MS. HOPKINS: Actually my question was,  
15 though, what about the environmental benefits.

16 HEARING OFFICER RENAUD: All right, just  
17 for the record, Sylvia Hopkins asking what about  
18 the environmental benefits. Save you a trip to  
19 the microphone, correct?

20 MR. O'HAIR: Yeah, Dean O'Hair again. I  
21 think, again, environmental benefits, I think Paul  
22 Millner mentioned those a little more specifically  
23 in his presentation.

24 The cogeneration facility will produce  
25 energy and steam more efficiently than the

1 existing system, so we'll actually produce steam  
2 and electricity using less energy and with lower  
3 emissions than the current conventional methods.

4 And then secondarily, again, you know,  
5 this facility is being configured so that it could  
6 accept additional recycled water from East Bay  
7 MUD. The refinery is currently the largest user  
8 of East Bay MUD's recycled water. We'll be able  
9 to up that amount by about 40 percent to probably  
10 about 8 million gallons.

11 And what that means is that if we can  
12 use recycled water at the refinery, then that  
13 allows potable water to be made available for the  
14 public.

15 Just two of them.

16 HEARING OFFICER RENAUD: Thank you very  
17 much. Next blue card is from Maggie Leigh; pardon  
18 me if I have that name mispronounced. Please  
19 state your name before you begin.

20 MS. LEIGH: My name is Maggie Leigh; I'm  
21 also a resident of Atchison Village. I've been  
22 there for eight years. Babies have been born in  
23 my courtyard with asthma. It's a very unhealthy  
24 place to be for babies.

25 I also want to say that from a report

1 from the Communities for a Better Environment we  
2 have eight areas already of pollution caused by  
3 Chevron that have not been addressed. For  
4 example, wastewater ponds where contaminants  
5 evaporate into the air; flaring; nonrecovery of  
6 trucks that have, when they're filled they produce  
7 vapor; storage tanks are not sealed; control  
8 valves need repair; et cetera, et cetera.

9 We already have negative impacts from  
10 Chevron that have not been addressed. Why would  
11 we accept more pollution? Thank you.

12 HEARING OFFICER RENAUD: Thank you for  
13 your comments. Next we have Ruth Gilmore. And  
14 for the record, please state your name before you  
15 begin.

16 MS. GILMORE: Yes. My name is Ruth  
17 Gilmore. And I live in Atchison Village. I'm a  
18 part of the environmental committee that  
19 represents 2500 residents.

20 Why not nip it in the bud right now  
21 instead of using up our energy and our time. This  
22 is part of a large project that we think should  
23 have a moratorium so that now alternative,  
24 unpolluting, unexplosive kinds of polluting can be  
25 explored.

1           This is no time to rush. This is no  
2           time to try to push something through that is so  
3           destructive, not only to our residents, but to  
4           global warming.

5           You know, Chevron talked about that they  
6           would help us with roads and money and jobs. But  
7           the reality is that they've already been able to  
8           have \$4.72 billion, and they gave a million. But  
9           reality is that they didn't take care of our  
10          respiratory. We have the largest rate of asthma  
11          in the area. They didn't take care of us that  
12          were in the -- in shelter. So, in fact, they've  
13          reduced their amount of money that they're giving  
14          to the area.

15          But the most important thing is  
16          alternative. You know, there was even something  
17          that they admitted in the paper about chemicals  
18          known to the State of California to cause cancer,  
19          birth defects or other reproductive harm are  
20          contained in crude oil, which is what they want to  
21          use, is heavy crude oil, and gasoline and other  
22          petroleum products and byproducts that can cause  
23          cancer, birth defects or other reproductive harm.

24          So we already know this. It's just a  
25          fact. So, I ask you, try to nip it in the bud

1 right now. We know there already are 116 defects  
2 in the report that's been put out by the  
3 Commission. So, I implore you to focus on the  
4 most important thing.

5 The only other thing I wanted to say is  
6 that Attorney General Brown said it would emit up  
7 to 898,000 metric tons of carbon dioxide per year.  
8 Now, that may be an understatement, said he;  
9 potential greenhouse gas emissions appear to be up  
10 to 1,961,592 million metric tons. This is urgent,  
11 folks. Please stop it right now.

12 HEARING OFFICER RENAUD: Thank you for  
13 your comments. Let me call next Myron K. King.

14 MR. KING: If I can carry this tome that  
15 I've got.

16 HEARING OFFICER RENAUD: All right,  
17 please state your name for the record.

18 MR. KING: Myron D. King, CEO of the  
19 Downtown Association at Richmond. And I'm also,  
20 not speak for, the Iron Triangle Community Group,  
21 and the Mainstreet, a member, CFO of those two  
22 groups.

23 I have several comments. Number one, I  
24 was glad to get the request that you had this  
25 meeting and that I could get the information. I

1 did not want something like this faxed, believe  
2 me.

3 (Laughter.)

4 MR. KING: And I was glad to get this.  
5 I've gone through a lot of it already, and I have  
6 some comments. Not necessarily in sequence, but  
7 basically they're hiring local contractors  
8 employees. Please make sure that they are from  
9 the Richmond area. We've had problems with that  
10 in the past.

11 Number two. I would say a quarter of  
12 this is redundant. They're repeating a lot of  
13 things in this manual. May have to do it for  
14 legal reasons, but I started going through it.  
15 About the first half-dozen pages in each section  
16 was redundant.

17 HEARING OFFICER RENAUD: Mr. King, let  
18 me just interrupt briefly. Since you're referring  
19 to a document, perhaps you could just say what it  
20 is. Is it this application for small power plant  
21 exemption?

22 MR. KING: The application for the small  
23 power plant exemption, --

24 HEARING OFFICER RENAUD: All right.

25 MR. KING: -- prepared for Chevron USA



1 Refinery, prepared by CH2M HILL.

2 HEARING OFFICER RENAUD: Thank you.

3 MR. KING: I don't know how many pages,  
4 but there's plenty of them there.

5 HEARING OFFICER RENAUD: It's lots, yes.

6 MR. KING: Okay. Another thing, they  
7 mention the Bay Trail and bicycles and things like  
8 that. I don't know if you can, but I'd like to  
9 see a condition put in here that they do allow it  
10 to go across their property. That's something I  
11 think the city would like, I think the people  
12 would like, and the keep saying no. And if you  
13 can slip this in there some way, I think it would  
14 be very good.

15 Particulates. I park downtown, and  
16 quite often my car is covered with particulates  
17 which I believe are coming from Chevron.

18 And also it says here, under electrical  
19 transmission, that they don't expect any  
20 significant EMF exposure or impact on the public.  
21 How about the employees? Will they have a  
22 problem? There's nothing said in here about that.

23 Also, what have I got -- yeah, I would  
24 prefer hard copies. It's much easier to work with  
25 than anything by email or letters or anything

1 else.

2 And my last item is on item 8.7, where  
3 is that here -- 8.7, 3.2, 879 -- got a lot of  
4 sections in here, sorry about that. It says:  
5 short-term increases in lodging and dining  
6 business from construction workers will provide a  
7 benefit to the local economy." Make sure, as I  
8 said before, that we're using local people.

9 That ends my comments right now. Thank  
10 you.

11 HEARING OFFICER RENAUD: Thank you, Mr.  
12 King. And with respect to your concern about hard  
13 copies, if you'll speak with Mr. Bartsch --

14 MR. KING: Yes.

15 HEARING OFFICER RENAUD: -- the Public  
16 Adviser, he'll do what he can to accommodate you.

17 MR. KING: Thank you very much.

18 HEARING OFFICER RENAUD: Delphine Smith.  
19 Please state your name before you begin.

20 MS. SMITH: Good evening; my name is  
21 Delphine Smith. And I'm a resident of Richmond;  
22 and I also work for Communities for a Better  
23 Environment.

24 Okay, the impacts of this project is  
25 very significant. There's going to be an increase

1 in different types of pollution. And everyone  
2 keeps talking about particulate matter.

3 Particulate matter is known to harm our  
4 health. The PM from diesel is far the greatest  
5 contributor of cancer risk in the air. Diesel PM  
6 triggers and aggravates asthma attacks. And it  
7 can even cause asthma in healthy people. This is  
8 an impact that involves my life personally, as  
9 well as my children.

10 There's six times more diesel pollution  
11 per square mile in the Richmond area than in  
12 Contra Costa as a whole. If you include any urban  
13 areas there's still three times more diesel  
14 pollution.

15 As you can see air pollution and  
16 pollution from Chevron disproportionately impacts  
17 Richmond. We're impacted already. They already  
18 have this big project they're trying to add on,  
19 and then a power plant. How much more are we  
20 going to be impacted by this company?

21 They're using dirtier crude oil that has  
22 ten times more sulfur and toxic metals per barrel  
23 than the conventional crude. It can flow like  
24 molasses and weigh nearly as much as asphalt.

25 And they're going to be making gasoline

1 from it. And it requires expanding processes such  
2 as cracking, hydroprocess and reforming and sulfur  
3 recovery which puts more toxic chemicals under  
4 high temperature and pressure. And this increases  
5 pollution, as well as the frequency and severity  
6 of flarings, spills, fires and explosions like the  
7 one we had at the beginning of this year.

8 This Commission is in charge with  
9 integrating environmental justice in the siting  
10 process. The issues I haven't mentioned are  
11 exactly the kind of environmental justice issues  
12 that need to be addressed.

13 And I would adhere to all of you to  
14 really look at what they're trying to do. I know  
15 they use a lot of fancy words and technical  
16 jargon, but for a layperson and someone that's  
17 really concerned about the health impacts of  
18 Richmond, because I live here and I have no choice  
19 but to be here.

20 But if you can really look at it and  
21 have them really explain what they're doing and  
22 maybe find a better and healthier way of doing it.

23 Thank you.

24 HEARING OFFICER RENAUD: Thank you.

25 Philip Huang. Please state your name before you

1       begin.

2                   MR. HUANG:   Sure.   My name is Philip  
3       Huang.   I am here on behalf of Communities for a  
4       Better Environment.   We have hundreds of members  
5       in the Richmond area, several of whom have spoken  
6       here earlier tonight.

7                   I think, as you heard from the  
8       applicant, themselves, the power plant project is  
9       a subset of a much larger and more extensive  
10      project.   Whereas Ms. Peesapati said, is integral  
11      to the expansion.

12                  And this expansion involves, as you  
13      heard, a lot of several potential health impacts.  
14      You know, particulate matter and NOx and SOx and  
15      air toxics, you know, from tankers and trucks and  
16      rail and refineries.

17                  The power plant's job, the expansion,  
18      the purpose of it is to fuel this expansion.   And  
19      so its effects cannot be divorced, separated from  
20      the effects of the refinery, as a whole, and the  
21      refinery expansion.

22                  In terms of power plant-specific issues,  
23      we would like the Committee here to look at  
24      several.   One, I think Chevron mentioned, the  
25      cogeneration.   We don't think it would be energy

1 efficient. The proposed plant would be using duct  
2 firing. And in that process it would use refinery  
3 gas and liquid petroleum gases, such as butane I  
4 think a spokesman said. This would reduce its  
5 efficiency and create more emissions.

6 As I understand it, cogeneration is  
7 about using that excess heat to produce steam.  
8 Whereas here they are specifically burning gas to  
9 create that heat to produce the steam. It's like  
10 imagine flooring your automobile. Again, reducing  
11 its efficiency and creating more emissions.

12 Also in doing so, you would create, emit  
13 more greenhouse gases. In fact, you would exceed  
14 the greenhouse gas standard set by the CPUC and  
15 the CEC standards under SB-1368. In other words,  
16 this plant would result in higher greenhouse gases  
17 than if, you know, Chevron contracted with a  
18 compliant merchant power plant that has to meet  
19 those greenhouse gas standards.

20 As you heard earlier there are  
21 cumulatively significant impacts due to the role  
22 that this plant would play in the refinery  
23 expansion and the powering of the hydrogen plant  
24 to produce hydrogen, to break down the heavier and  
25 dirtier crude oil, to separate the sulfur which

1 would increase catastrophic risk and increase air  
2 emissions, and have adverse impacts on the health  
3 of the Richmond community.

4 So, in short, an exemption would not be  
5 appropriate for this project because it would  
6 have, you know, significant impacts on the  
7 community, on the environment and human health.

8 So we encourage this Commission to  
9 engage in meaningful public participation process  
10 in this community. Perhaps hold the workshops in  
11 the evenings so that more working people can come.  
12 So it's not just those of us who are sort of  
13 professionals engaged in this process. And to  
14 deny the exemption.

15 Thank you.

16 HEARING OFFICER RENAUD: Thank you for  
17 your comments. I have no more blue cards. Is  
18 there anyone else who would like to make a comment  
19 before we proceed to adjournment? Anybody?

20 Okay, Commissioner Byron.

21 PRESIDING MEMBER BYRON: I'd like to  
22 thank all of you that came this evening to provide  
23 comments. And there will be additional  
24 opportunities. I believe the staff will be  
25 conducting workshops here. And I think they'll

1 make every effort to do so at times that are  
2 convenient for the public.

3 I will be back here, as well as  
4 Commissioner Rosenfeld, when we begin taking  
5 evidence.

6 But, again, I'd like to thank you, and I  
7 hope you feel that this process is open and  
8 available for your input.

9 MR. KING: Question.

10 PRESIDING MEMBER BYRON: Please come to  
11 the podium. Mr. King.

12 MR. KING: Yes. Myron King. When will  
13 we hear answers to our questions and comments?

14 PRESIDING MEMBER BYRON: I'd like the  
15 staff, I think, to answer that.

16 MS. DYAS: We'll have to review what was  
17 asked, and then we will. We are going to be  
18 holding, I believe I have the initial workshop to  
19 review the data responses from the data requests  
20 on September 20th. So we'll be back then and  
21 we'll try to have answers for you by then.

22 MR. KING: -- schedule.

23 HEARING OFFICER RENAUD: All right.

24 Thank you, Commissioner Byron.

25 And if there are no further questions or



1        comments, we'll adjourn this meeting. Thank you.

2                (Whereupon, at 6:51 p.m., the  
3                informational hearing was adjourned.)

4                        --o0o--

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

## CERTIFICATE OF REPORTER

I, PETER PETTY, an Electronic Reporter,  
do hereby certify that I am a disinterested person  
herein; that I recorded the foregoing California  
Energy Commission Informational Hearing; that it  
was thereafter transcribed into typewriting.

I further certify that I am not of  
counsel or attorney for any of the parties to said  
hearing, nor in any way interested in outcome of  
said hearing.

IN WITNESS WHEREOF, I have hereunto set  
my hand this 10th day of September, 2007.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345